

November 13, 2017

The Honorable Kevin Brady
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Brady:

On behalf of the Investment Program Association (IPA), I write to congratulate you on successfully advancing H.R.1, the “Tax Cuts and Jobs Act.” Thank you for your leadership and commitment to tax reform that will create jobs and grow businesses. Your tax proposal represents a comprehensive effort to improve our tax code in a manner that relieves the burden on the middle class and reduce taxes for corporations and small businesses, while maintaining a forward-thinking view on the critical, job-creating role that the real estate industry plays in our economy.

For over 33 years the IPA has supported individual investor access to a variety of asset classes with low correlation to the traded markets and historically available only to institutional investors, including: lifecycle real estate investment trusts (“REITs”), business development companies (“BDCs”), interval funds, energy and equipment leasing programs and real estate private equity offerings. These portfolio diversifying investment (“PDI”) products have been held in the accounts of more than 3 million individual investors. With over \$135 billion in capital investments, they remain a critical component of an effectively balanced investment portfolio and serve an essential capital formation function for national, state and local economies. The mission of the IPA is to advocate for PDIs through education and public awareness.

The IPA supports reform that encourages investment and growth in the real estate industry.¹ We are pleased that Section 3303 of H.R. 1 preserves like-kind exchanges of real property, which encourages investment in real estate and makes it easier for taxpayers to relocate into property that better meets their business needs. The IPA also supports the exemption of real property from the business interest deduction limitation in Section 3301. This recognition allows entrepreneurs to grow their businesses and strengthen their communities through confident real estate investments.

We commend you, your colleagues on the House Ways and Means Committee, and your staff for your tremendous work on this tax code proposal. As the House and Senate continue the tax reform process, we encourage you to preserve the critical protections outlined above and continue to prioritize the multiplying effects the real estate industry has on job growth and the expansion of our economy.

¹ See IPA Issue Brief on Comprehensive Tax Reform (impacting real estate and PDIs) at: http://www.ipa.com/wp-content/uploads/2017/10/IPA_IssueBrief_ComprehensiveTaxReform_10-10-2017.pdf

If the IPA may be of any assistance to this Committee, please do not hesitate to contact me or Anya Coverman, IPA's Director of Government Affairs and General Counsel, at (212) 812-9799.

Sincerely,



Anthony Chereso
President & CEO, Investment Program Association

